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the Director of the Office of Federal Contract compliance may require.

(2) The sponsor or his contractors shall give express notice of the requirements of this paragraph (d) in all invitations for bids or negotiations for contracts.

(e) *Enforcement.* The FAA conducts compliance reviews, handles complaints and, where appropriate, conducts hearings and imposes, or recommends to the Office of Federal Contract Compliance, sanctions, as provided in subpart B—General Enforcement; Complaint Procedure of part 60–1.

(f) *Exempted contracts.* Except for subcontracts for the performance of construction work at the site of construction, the requirements of this section do not apply to subcontracts below the second tier (§60–1.3(c)). The requirements of this section do not apply to contracts and subcontracts exempted by §60–1.4.

(g) *Meaning of terms.* The term “applicant” in the provisions of part 60–1 incorporated by reference in this section means the sponsor, except where part 60–1 refers to an applicant for employment, and the term “administering agency” therein means the FAA.

(h) *Applicability to existing agreements and contracts.* This section applies to grant agreements made after December 20, 1964, and before July 1, 1968. Except as provided in §151.54A(b), it applies to contracts and subcontracts as defined in §60–1.2 (i) and (k) of Title 41 made in accordance with a grant agreement to which this section applies.

(E.O. 11246, 30 FR 13441, 31 FR 6921; sec. 307, 72 Stat. 752, 49 U.S.C. 1348)

[Amdt. 151–5, 29 FR 15569, Nov. 20, 1964, as amended by Amdt. 151–8, 30 FR 8040, June 23, 1965; Amdt. 151–12, 31 FR 10261, July 29, 1966; Amdt. 151–23, 33 FR 9543, June 29, 1968]

§ 151.54a Equal employment opportunity requirements: After June 30, 1968.

(a) *Incorporation by reference.* There are hereby incorporated by reference into this part the regulations issued by the Secretary of Labor on May 21, 1968, and published in the FEDERAL REGISTER on May 28, 1968 (41 CFR part 60–1, 33 FR 7804), except for the following provisions:

(1) Paragraph (a), “Government contracts”, of §60–1.4, “Equal opportunity clause”.

(2) Section 60–1.6, “Duties of agencies”.

(b) *Applicability and effectiveness.* The regulations incorporated by reference in paragraph (a) of this section apply to grant agreements made after June 30, 1968. They also apply to contracts, as defined in §60–1.3(f) of Title 41, entered into under any grant agreement made before or after that date, as provided in §60–1.47 of Title 41.

(Sec. 307, 72 Stat. 752, 49 U.S.C. 1348)

[Amdt. 151–23, 33 FR 9543, June 29, 1968]

§ 151.55 Accounting and audit.

(a) Each sponsor shall establish and maintain, for each individual project, an adequate accounting record to allow appropriate personnel of the FAA to determine all funds received (including funds of the sponsor and funds received from the United States or other sources), and to determine the allowability of all incurred costs of the project. The sponsor shall segregate and group project costs so that it can furnish, on due notice, cost information in the following cost classifications:

- (1) Purchase price or value of land.
- (2) Incidental costs of land acquisition.
- (3) Costs of contract construction.
- (4) Costs of force account construction.
- (5) Engineering costs of plans and designs.
- (6) Engineering costs of supervision and inspection.
- (7) Other administrative costs.

(b) The sponsor shall obtain and retain in its files for a period of three years after the date of the final grant payment, documentary evidence such as invoices, cost estimates, and payrolls supporting each item of project costs.

(c) The sponsor shall retain, for a period of three years after the date of the final grant payment, evidence of all payments for items of project costs including vouchers, cancelled checks or warrants, and receipts for cash payments.

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(d) The sponsor shall allow the Administrator and the Comptroller General of the United States, or an authorized representative of either of them, access to any of its books, documents, papers, and records that are pertinent to grants received under the Federal-aid Airport Program for the purposes of accounting and audit. Appropriate FAA personnel may make progress audits at any time during the project, upon notice to the sponsor. If work is suspended on the project for an appreciable period of time, an audit will be made before any semi-final payment is made. In each case an audit is made before the final payment.

[Doc. No. 1329, 27 FR 12351, Dec. 13, 1962, as amended by Amdt. 151-8, 30 FR 8040, June 23, 1965]

§ 151.57 Grant payments: General.

(a) An application for a grant payment is made on FAA Form 5100-6, accompanied by—

(1) A summary of project costs on Form FAA-1630;

(2) A periodic cost estimate on Form FAA-1629 for each contract representing costs for which payment is requested; and

(3) Any supporting information, including appraisals of property interests, that the FAA needs to determine the allowability of any costs for which payment is requested.

(b) Contractor's certifications. Each application that involves work performed by a contractor must contain, in the contractor's certification in the periodic cost estimate, a statement that "there has been full compliance with all labor provisions included in the contract identified above and in all subcontracts made under that contract", and, in the case of a substantial dispute as to the nature of the contractor's or a subcontractor's obligation under the labor provisions of the contract or a subcontract, and additional phrase "except insofar as a substantial dispute exists with respect to these provisions".

(c) If a contractor or subcontractor fails or refuses to comply with the labor provisions of the contract with the sponsor, further grant payments to the sponsor are suspended until the violations stop, until the Adminis-

trator determines the allowability of the project costs to which the violations related, or, to the extent that the violations consist of underpayments to labor, until the sponsor furnishes satisfactory assurances to the FAA that restitution has been or will be made to the affected employees.

(d) If, upon final determination of the allowability of all project costs of a project, it is found that the total of grant payments to the sponsor was more than the total United States share of the allowable costs of the project, the sponsor shall promptly return the excess to the FAA.

[Doc. No. 1329, 27 FR 12351, Dec. 13, 1962, as amended by Amdt. 151-4, 29 FR 11336, Aug. 6, 1964; Amdt. 151-8, 30 FR 8040, June 23, 1965; Amdt. 151-17, 31 FR 16525, Dec. 28, 1966; Amdt. 151-32, 34 FR 9617, June 19, 1969]

§ 151.59 Grant payments: Land acquisition.

If an approved project includes land acquisition as an item of airport development, the sponsor may, at any time after executing the grant agreement and after title evidence has been approved by the Administrator for the property interest for which payment is requested, apply to the FAA, through the Area Manager, for payment of the United States share of the allowable project costs of the acquisition, including any acquisition that is completed before executing the grant agreement and is part of the airport development included in the project.

§ 151.61 Grant payments: Partial.

(a) Subject to the final determination of allowable project costs as provided in § 151.63 partial grant payments for project costs may be made to a sponsor upon application. Unless previously agreed otherwise, a sponsor may apply for partial payments on a monthly basis. The payments may be paid, upon application, on the basis of the costs of airport development that is accomplished or on the basis of the estimated cost of airport development expected to be accomplished.

(b) Except as otherwise provided, partial grant payments are made in amounts large enough to bring the aggregate amount of all partial payments to the estimated United States share of